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**From:** Robin Ishmael <rishmael@garnetcapital.com>  
**Sent:** Thursday, December 11, 2014 10:39 AM  
**To:** 'Poppe Mike'  
**Cc:** Bell Robert  
**Subject:** RE: Sherman

From Bryan:

The primary put back reason is 6.1(f) -- "a claim has been made to the Buyer under applicable law, including but not limited to claims under the Fair and Accurate Credit Transactions Act (FACTA);"

We have heard a broad range of claims we feel fit into that, but the two most significant are that the balances are inaccurate (do not reflect returned merchandise, etc.), fraudulent origination (insurance was misrepresented, sale rep misrepresented obligations).

The bigger issue, however, is that there are some breaches of the agreement we feel make the accounts uncollectible. We feel that sections 8.5 (compliance), 8.6 (validity), and 8.7 (accurate data file) have been breached.

The bottom line is that we cannot collect on these accounts. We have pulled them from collections and they are sitting on the shelf right now. We don't know if the problems relate to 10% of the accounts or 100% of the accounts, but we believe there are real problems with a material portion of the accounts, so we cannot collect on any of them. The problems may be solvable in the long run, but we do not have access to the store records needed to do so, and we did not enter into this deal expecting to have so much cost and delay.

The best path forward is for us to unwind this deal and have Conn's collect/remediate from there.

I will also note that he did not include in his email above, but has told me that he is aware of the news report below that includes a statement about the December 9th resignation of your CFO surrounding credit operations that have not been "acceptably accurate". <http://www.marketwatch.com/story/conns-finance-chief-steps-down-amid-credit-losses-2014-12-09>

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**From:** Poppe Mike [mailto:mike.poppe@conns.com]  
**Sent:** Wednesday, December 10, 2014 8:04 PM  
**To:** Robin Ishmael  
**Cc:** Bell Robert  
**Subject:** Sherman

Robin,

Would you please follow-up with Bryan and ask him for some example accounts or detail explanation supporting their belief that they have the ability under the contract to put the accounts back to us? I am trying to have the conversation internally but do not have a clear understanding of their position as it relates specifically to their rights under the contract.



Thanks,

Mike Poppe

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